PHARO CATTLE COMPANY

CHEYENNE WELLS, COLORADO

PHONE: 800-311-0995



Our customers are the most profitable cow-calf producers in the world.

Defining and Measuring Improvement...

It's human nature to want to see visible improvement in the things we do. If we cannot see improvement, how will we know if we are accomplishing anything? To see visible improvement implies there must be a noticeable change in what we are working on.



However, the desire to see visible improvement has created major problems at the cow-calf level of beef production. Pick a trait — any trait. If your goal is to continually increase a trait, you will eventually go past the optimum level. The status quo beef industry, for example, has been selecting almost exclusively for higher and higher weaning weights for the past 40+ years. Although they went past optimum a long time ago, they continue to select for higher and higher weaning weights because they want to continue to see a noticeable change.

Increasing individual weaning weights beyond the optimum level has done nothing but increase cow size and maintenance requirements — which has decreased stocking rates, decreased pounds per acre and decreased profit. Stocking rate affects profitability, or lack thereof, more than anything else. Ironically, while cow size continues to increase, weaning weights have changed very little in the last ten years. Your environment can only support so much growth, frame and milk. Once you go beyond that level, you will quickly reach the point of diminishing returns.

Direction vs. Destination. There is a HUGE difference! Most cow-calf producers have no specific target in mind. Their goal is to continue to increase a certain trait. They have a direction — but no destination. They will continue to increase their chosen trait until financial hardship forces them to change directions. In contrast, there is a growing number of think-for-yourself producers who have a destination in mind. They know what the optimum level is for most traits. That's their destination. They have no desire to go beyond optimum.

In 1988 (30 years ago), Dr. Rick Bourdon, a like-minded, academic friend of mine, wrote a paper titled "Bovine Nirvana" where he presented the case that genetic selection should be toward the optimum for what the environment can support. Dr. Bourdon said, "To breed for optimum means to have a target in sight beyond which you don't want to go. If your goal is to maintain an optimum level for any trait, the evidence of your accomplishment is not visible change, but lack of it." Dr. Bourdon was a think-for-himself academic who was ahead of his time.

I could not have said it better. Once you have achieved the optimum level for a trait, the evidence of true accomplishment is NOT visible change — but lack of it! From the very beginning, Pharo Cattle Company has had a destination in mind. Bigger is not always better. The optimum cow is not the biggest cow. It does not matter how big your cattle are or how fast they can grow if they're not profitable. Bragging rights may make you look good at the local coffee shop, but you cannot purchase groceries or anything else with bragging rights.

Twenty-some years ago, we concluded the cows that can produce the most pounds and profit per acre are ultra-low-maintenance, 3 to 4-frame cows that weigh 1100 to 1200 pounds. This became our genetic destination. We now define improvement in a different way. Instead of selecting for more and more of something, we see improvement as bringing the bottom end of the herd up to the top end. Improvement to us is a visible increase in consistency and uniformity. That's easy, once you have a target or destination in mind.

"It is not necessary to change. Survival is not mandatory."

~ W. Edwards Deming ~

TWO Fall Bull Sales

Valentine, NE — October 27th
Burlington, CO — November 5th

- Over 400 PCC Solar Bulls Angus, Red Angus, Polled Hereford and Composites
- Developed on Grass
- One-Year Guarantee on All Bulls
- Evaluated for Disposition, Thickness, Muscling, Masculinity, Fleshing Ability, Hair Coat, Fly Resistance and Much More
- Guaranteed Calving Ease
- FREE and Very Afforda-BULL Delivery

Call or Email to receive a Sale Catalog

THE PHARO CATTLE COMPANY NEWSLETTER

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Our Mission: Help ranchers put more fun and profit into their business.

Call or Email for a Free Subscription

The Status Quo Rancher's Vow... By Chip Hines

From this day forward...
I pledge to support my tractor, pickup,
machinery, fuel, feed and pharmaceutical
dealers through good times and bad,
through drought, blizzard, low
prices and high interest
rates, till bankruptcy
do us part.

NO-Input Production...

Have you ever considered the possibility of being a no-input producer? I have. In fact, I have had several way-outside-the-box discussions about no-input farming and ranching, but only within the confines of producers who are bona fide Herd Quitters. This is not a subject that can be discussed in the presence of status quo producers.

My original reason for wanting to discuss no-input production was to hone my skills as a low-input producer. Just considering the possibility of being a no-input producer opened up several doors of opportunity that I had never seen before. I have concluded there is a BIG difference between being a low-input producer and being a really low-input producer.

I like to play "what if" games with other Herd Quitters, because doing so challenges and sharpens the mind. It also helps me to mentally prepare for potential situations that I have never had any prior experience with. Several years ago at a Herd Quitter meeting in Missouri, I asked, "What if fossil fuel and electricity were no longer available?" If fossil fuel and electricity were no longer available, that would quickly eliminate the lion's share of inputs on most farms and ranches. If you can come up with a workable plan to deal with that scenario, you have the potential of becoming a *really* low-input producer.

Several PCC customers had no trouble coming up with some workable plans that would allow them to continue to operate without fossil fuel and electricity. They are using those plans to make their existing low-input programs even more profitable.

Why Don't All Seedstock Producers...

- Treat their cows tougher than you treat your cows?
- Refuse to make an excuse for a cow, or give a her a second chance?
- Develop bulls on forage with nothing but starch-free supplements?
- Evaluate and score bulls for disposition?
- Evaluate and score bulls for feet and leg conformation?
- Evaluate and score bulls for preputial prolapse problems?
- Provide an udder score for the bulls they sell?
- Provide a One-Year Guarantee on the bulls they sell?
- Guarantee bulls for calving ease?
- Guarantee bulls to be free from genetic defects?
- Control flies and other parasites with genetics instead of chemicals?
- Invite customers to participate in bull evaluation days?
- Provide a Quick Sort program that takes the guesswork out of sorting bulls that meet your specific needs?
- Use an honest, low-pressure Cowboy Auction to sell bulls?
- Deliver bulls to over 60 delivery points across the nation?
- Provide an online discussion group with world-renowned industry experts for their customers?



Genetic Fly Resistance...



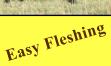
No one else in the beef industry has even thought about selecting cattle for genetic fly resistance. Pharo Cattle Company has been doing it for over 10 While other seedstock producers continue to treat the symptoms with toxic chemical insecticides, we are solving the problem.

All of the bulls selling in our two fall bull sales will be evaluated and scored for genetic fly resistance. Since the heritability of fly resistance is very high, this is something you can improve dramatically in a short period of time, if you choose to do so. We invite you to come to one of our bull workdays to see how we evaluate and score bulls for fly resistance. Details about our bull workdays will be provided in our weekly emails.

Profita-BULL Genetics



Thick







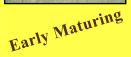
Moderate Sized







Calving Ease

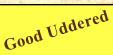








Adaptable









Grass Efficient





Left Behind...

He who procrastinates often gets left behind. I hate to say it, but cattlemen seem to be among the worst about putting things off.

If you have never sent us your email address, do it NOW. You are missing out on over 90% of the information we share. If you need help, ask your wife or your kids.

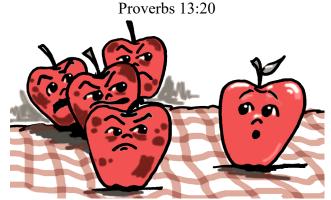
Bad Apples...

Although many things in life are totally out of our control, we can choose the people and the type of people we associate with. Choose your friends and associates with great care.

Bad company corrupts good character. 1 Corinthians 15:33

Some people will try to justify their questionable companions by saying, "Maybe I can change them." Maybe they can, but what happens when you put a good apple in a basket full of rotten apples? Will the good apple cause the rotten apples to be made good or will the rotten apples cause the good apple to go bad?

He who walks with the wise grows wise, but a companion of fools suffers harm.



LIMITATIONS ONLY EXIST IF YOU BELIEVE THEY EXIST

Spring Sale Results...

We sold 430 ultra-low-maintenance bulls in our three spring sales (Texas, Missouri and Colorado). They averaged \$5505 — with a range of \$2500 to \$13,000. As expected, our customers were willing to pay a premium for disposition, calving ease and fleshing ability.

We sold and delivered bulls into 32 different states — and Mexico. Over 40% of the bulls were purchased by Stay-at-Home bidders. With our unique Quick Sort program, bull videos and bull delivery, we make it easy for our customers to purchase bulls without leaving home.

Pharo Cattle Company offered a Drought Discount at all three of our spring bull sales, which allowed our customers to receive up to a 10% discount on their bulls. No one else in this industry would even consider doing something like this. We gave out over \$52,000 in drought discounts.

Afforda-BULL... Our bulls are very affordable — especially when you consider they can breed *more cows* for *more years* than bulls coming out of other programs. You are pretty much guaranteed to get *more* than your money's worth with a PCC bull — and they come with a One-Year Guarantee.

Call 800-311-0995 to receive a Catalog for our Two Fall Bull Sales

2018 AI Sire Directory...

There are 62 PCC Solar Bulls to choose from in this year's lineup — including eight new bulls. Most of these bulls are Angus and Red Angus — but we also have some Lowline, Polled Hereford, Tarentaise, Composite and Mashona bulls. Ninety percent of these bulls can safely be used on first-calf heifers.

Call or email to request our 2018 AI Sire Directory.

We Do More...

Pharo Cattle Company does much more than sell bulls. We provide a program and a way of thinking that are focused on helping *you* make your business as profitable, enjoyable and sustainable as possible. Our low-maintenance bulls are just one part of this program. There's a reason our customers are the happiest and most profitable cow-calf producers in the world.



How Selfies were taken 100 Years Ago

The Next Generation...

Every generation plays an important role in the success or failure of the family business. The decisions you make (or don't make) could have a profound effect on the future of your family. As manager of your family farm or ranch, it is your job to make decisions with the next generation in mind. Unfortunately, I see far too many cow-calf producers procrastinating and taking the "stick your head in the sand" approach to management. Ignorance may be bliss — but it is a very poor management strategy.

We still believe... there will be more opportunities for you and your family operation to advance in the next five to ten years than there have been in the last 20 years — but only if you are willing to break away from the status quo, herd-mentality way of thinking. Many of the upcoming opportunities will come at the expense of those who are unwilling to make a paradigm shift. That's a little sad — but I don't have much sympathy for people who are afraid to think for themselves.

If you don't make the right decisions in a timely fashion, there may not be much for the next generation. This is a responsibility that should not be ignored or taken lightly. Your kids and grandkids are hoping you make decisions that are based on the future of your family farm or ranch. Now is *not* the time to procrastinate. He who hesitates may lose all he has — forcing his kids and grandkids to get jobs in the city.

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Dare to be a Herd Quitter

Cowboy Logic: "Being young and stupid sure beats being old and stupid."

Length of Gestation...

Calving ease is more a function of birth weight than of anything else — and birth weight is more a function of gestation period than of anything else. The standard gestation period for beef cattle is 283 days. Even within a breed, there is a tremendous amount of variation.

Based on the standard 283-day gestation period, our start date at PCC Headquarters this year was May 16th. Because of the calving ease that has been bred into our cattle, we were half done with our calving on that date. Half done in just 12 days! That's amazing!

Another huge advantage of a short gestation period is it allows extra time for cows and heifers to get rebred. It's nearly impossible for a cow with a long gestation period to have a calf every 12 months because there simply are not enough days in the year.

